



The State of New Hampshire
Department of Environmental Services



Michael P. Nolin
Commissioner

September 14, 2005

SigArms, Inc.
Attn: Tim Scullen
18 Industrial Drive
Exeter, NH 03833

Re: Docket No. AF 05-058 Administrative Fine by Consent Agreement

Dear Mr. Scullen:

Enclosed for your records is a copy of the fully executed and accepted Administrative Fine by Consent Agreement in the above-captioned matter.

On behalf of the Department of Environmental Services, thank you for your cooperation in resolving this matter.

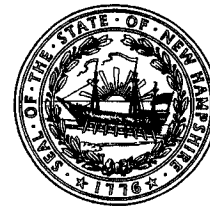
Sincerely,

COPY
Michael P. Selafani,
Legal Assistant

cc: Michael J. Walls, DES Assistant Commissioner
Anthony P. Giunta, P.G., Director, DES Waste Management Division
Jennifer J. Patterson, NH DOJ
Gretchen R. Hamel, Administrator, DES Legal Unit
Kerry D. Barnsley, Compliance Attorney, DES Legal Unit
DES Public Information Officer
Linda Birmingham, DES WMD



The State of New Hampshire
Department of Environmental Services



Michael P. Nolin
Commissioner

SigArms, Inc.
18 Industrial Drive
Exeter, NH 03833

**ADMINISTRATIVE FINE
BY CONSENT**

No. AF 05-058

I. INTRODUCTION

This Administrative Fine by Consent is entered into by and between the Department of Environmental Services, Waste Management Division, and SigArms, Inc., pursuant to RSA 147-A:17-a. This Administrative Fine by Consent ("Agreement") is effective upon signature by all parties.

II. PARTIES

1. The Department of Environmental Services, Waste Management Division ("DES"), is a duly constituted administrative agency of the State of New Hampshire, having its main office at 29 Hazen Drive, Concord, NH.
2. SigArms, Inc. ("SigArms") is a Delaware corporation that registered with the New Hampshire Secretary of State's Office on November 14, 1989. SigArms has a mailing address of 18 Industrial Drive, Exeter, NH.

III. BACKGROUND

1. Pursuant to RSA 147-A, the Department of Environmental Services regulates the management and disposal of hazardous waste. Pursuant to RSA 147-A:3, the Commissioner of DES has adopted Env-Wm 100-1100 ("Hazardous Waste Rules") to implement this program.
2. Pursuant to RSA 147-A:17-a, the Commissioner of DES is authorized to impose fines of up to \$2,000 per offense for violations of RSA 147-A or rules adopted pursuant thereto. Pursuant to this section, the Commissioner has adopted Env-C 610 and Env-C 612 to establish the fines for such violations.
3. SigArms is a hazardous waste generator that notified the United States Environmental Protection Agency ("EPA") of its activities through DES on August 23, 1991. EPA Identification Number NHD986472322 was assigned to SigArms' site located at 18 Industrial Drive, Exeter, NH.
4. On April 21, 2004, DES personnel inspected SigArms for compliance with RSA 147-A and its implementing regulations, the New Hampshire Hazardous Waste Rules. As a result of the violations of the Hazardous Waste Rules observed during this inspection, DES issued Letter of Deficiency No. WMD 04-13 ("LOD") to SigArms on July 30, 2004. Based on the violations

observed during the inspection listed above, DES believes that an administrative fine is appropriate in this case for the Class I violations.

IV. ALLEGATIONS, ADMINISTRATIVE FINES

1. SigArms failed to conduct adequate waste determinations on four (4) waste streams (*i.e.*, "Aqueous Parts Washer Solvent", "Tumbler Sludge", "NaOH solids (PPE)" and "Tumbler Waste Water"), as required by Env-Wm 502.01 ("Violation 1"). Env-C 612.05(a) authorizes a fine of \$1,500 per determination, for a potential fine of \$6,000.
2. SigArms failed to control spills and drips of NH02 Hazardous Waste "Sodium Hydroxide Solid" onto the floor of the "Blueing Room" which resulted in human exposure to hazardous waste, as required by Env-Wm 506.01(a) and Env-Wm 506.01(b)(4) ("Violation 2"). Env-C 612.06(a) authorizes a fine of \$2,000 per event if resulting in a release of hazardous waste or a substantial threat to human health or the environment.
3. SigArms failed to close one (1) 55-gallon satellite accumulation container of hazardous waste "NaOH Solids (PPE)" located in the Blueing Room, as required by Env-Wm 507.01(a)(3) and Env-Wm 509.02(d) ("Violation 3"). Env-C 612.06(c)(1) authorizes a fine of \$400 for each container that is 55-gallons or greater.
4. SigArms failed to conduct inspections of the hazardous waste storage area for a total of one-hundred-fifty-six (156) weeks over a 3-year time period, as required by Env-Wm 509.02(a)(1) ("Violation 4"). Env-C 612.07(a) authorizes a fine of \$1,000 per inspection per area per week, for a potential fine of \$156,000. For settlement purposes only, DES is seeking a fine for failing to conduct inspections at one (1) hazardous waste storage area for twenty-five (25) weeks, for a penalty of \$25,000 (*i.e.*, twenty-five (25) inspections at \$1,000 each).
5. SigArms failed to conduct initial and three (3) years of annual training for one (1) employee with hazardous waste management duties, as required by Env-Wm 509.02(a)(2) ("Violation 5"). Env-C 612.07(b) authorizes a fine of \$1,750 per individual not trained for initial training and \$1,000 per individual not trained for annual updates, for a potential fine of \$4,750.
6. SigArms failed to maintain a complete contingency plan on-site, as required by Env-Wm 509.02(a)(5) ("Violation 6"). Env-C 612.07(e) authorizes a fine of \$2,000.
7. SigArms failed to provide hazardous waste training for five (5) satellite storage operators, with hazardous waste duties at two (2) satellite storage areas (*i.e.*, Blueing Room and Firing Range), as required by Env-Wm 509.03(b) ("Violation 7"). Env-C 612.07(j) authorizes a fine of \$1,000 per satellite storage area, for a potential fine of \$2,000.
8. SigArms failed to mark one (1) 55-gallon satellite storage container of "NaOH Solids (PPE)" located in the Blueing Room and one (1) box of "D008 Lead Solids" located in the Firing Range with the words "hazardous waste", and words that identify the contents of the container, as required by Env-Wm 509.03(g) ("Violation 8"). The potential fine for this violation is included in the fine sought in Paragraph 7 because the violation occurred in the same satellite storage areas.

9. SigArms failed to mark twenty-three (23) 55-gallon containers of used oil destined for recycling with the words "Used Oil for Recycle", as required by Env-Wm 807.06(b)(4) ("Violation 9"). Env-C 612.10 (a)(1), which references Env-Wm 807.06(b)(2), modified in August 2000 to Env-Wm 807.06(b)(4), authorizes a fine of \$100 for each container that is 55-gallons or greater, for a potential fine of \$2,300.

10. SigArms failed to conduct an adequate used oil determination for used oil generated in the facility "CNC and Drill Machines.", as required by Env-Wm 807.06(b)(7) ("Violation 10"). Env-C 612.10(c) which references Env-Wm 807.06(b)(4), modified in August 2000 to Env-Wm 807.06(b)(7), authorizes a fine of \$750 per determination not made.

11. SigArms failed to close one (1) box of universal waste lamps located in the Hazardous Waste Storage Area, except to add or remove universal waste, as required by Env-Wm 1112.03(c)(1) ("Violation 11"). Pursuant to Env-C 610 a fine of \$300 has been calculated.

V. PAYMENT, WAIVER OF HEARING

1. DES agrees to waive fines associated with Violations 3, 10, and 11 because they are not Class I violations.

2. DES asserts that the following fines are appropriate for Violation 1, 2, and 4 through 9, which are Class I violations.

- a. Violation 1 is a Class I violation. SigArms documented that three (3) waste streams were analyzed and determined to be non-hazardous. DES is thus seeking a penalty for failing to perform one (1) hazardous waste determination (*i.e.*, the "NaOH Solids (PPE)"). DES determined that due to SigArms' high level of cooperation in providing information and its effort to correct that violation, that a 20% reduction should be applied. DES is thus seeking a fine of \$1,200.
- b. DES is not seeking a fine for Violation 2. DES has determined that Violation 2 should be classified as a Class II violation because SigArms provided information that the spills and drips onto the floor of the "Blueing Room were not NH02 hazardous waste "Sodium Hydroxide".
- c. Violation 4 is a Class I violation. DES has determined that due to SigArms' high level of cooperation in providing information and its effort to correct that violation, that a 20% reduction should be applied. DES is thus seeking a fine of \$20,000.
- d. Violation 5 is a Class I violation. No penalty reduction is recommended. DES is thus seeking a fine of \$4,750.
- e. Violation 6 is a Class I violation. No penalty reduction is recommended. DES is thus seeking a fine of \$2,000.
- f. Violation 7 is a Class I violation. No penalty reduction is recommended. DES is thus seeking a fine of \$2,000.

- g. Potential fine for Violation 8 is included in the fine sought in Violation 7.
 - h. Violation 9 is a Class I violation. DES has determined that due to SigArms' high level of cooperation in providing information and its effort to correct that violation, that a 20% reduction should be applied. DES is thus seeking a fine of \$1,840.
- 3. The total administrative fine for the Class I violations as described above is \$31,790.
 - 4. SigArms agrees to pay \$20,525 upon execution of this Agreement.
 - 5. SigArms shall undertake a supplemental environmental project ("SEP") and expend at least \$11,265 to purchase hazardous waste response equipment and/ or fund hazardous waste related training for the Seacoast Technical Assistance Response Team ("START") or other organization approved by DES. SigArms will notify START of the SEP within fourteen (14) days of the final execution of this Agreement and request from START a list of equipment and/or training needs, to adequately respond to hazardous waste related and other emergencies. Upon receipt of START's list, SigArms shall notify DES (attn: Linda Birmingham), for DES approval to place orders for the equipment and/or training that is requested by START. If no objection is received from DES within ten (10) days of receipt of the list, SigArms shall place a purchase order for the equipment and/or training and in the case of equipment arrange delivery directly to START. SigArms shall complete this project within one (1) year of the execution of this Agreement and shall certify to DES within thirteen (13) months of the effective date of this Agreement that the SEP has been completed and that at least \$11,265 in costs were incurred. SigArms shall submit with this certification copies of purchase orders and receipts. If the final cost of the equipment and/or training does not reach the \$11,265 commitment, then any difference will be paid to the State of New Hampshire Hazardous Waste Cleanup Fund by the same method outlined under Section V. Paragraph 6 within ten (10) days of the one (1) year anniversary of the Agreement.
 - 6. Payment under Section V. Paragraph 4 shall be paid by certified check made payable to: "Treasurer, State of New Hampshire" and shall be mailed to:

DES Legal Unit
Attn: Michael Sclafani, Legal Assistant
PO Box 95
Concord, NH 03302-0095
 - 7. If any payment is made by check or money order that is returned due to insufficient funds, pursuant to NH RSA 6:11-a, DES may charge a fee in the amount of 5% of the face amount of the check or money order or \$25.00, whichever is greater, plus all protest and bank fees, in addition to the amount of the check or money order, to cover the costs of collection.
 - 8. By executing this Agreement, SigArms waives its right to a hearing on or any appeal of the administrative fines identified in this Agreement, and agrees that this Agreement may be entered into and enforced by a court of competent jurisdiction.
 - 9. The effective date of this Agreement will be the date on which it is signed by an authorized representative of SigArms, and the Director of the Waste Management Division, and the Commissioner of DES.

SigArms, Inc.

Administrative Fine by Consent No. AF 05-058

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10. No failure by DES to enforce any provision of this Agreement after any breach or default will be deemed as a waiver of its rights with regard to that breach or default, nor will such failures be construed as a waiver of the right to enforce each and all provisions of this Agreement on any further breach or default.

WHEREFORE, the parties voluntarily accept the terms of this Agreement

SIGARMS, INC.

COPY
By: [Signature]
Chief Financial Officer
Duly Authorized

8/3/05
Date

DEPARTMENT OF ENVIRONMENTAL SERVICES

COPY
[Signature]
Anthony P. Giunta, P.G., Director
Waste Management Division

9/12/05
Date

COPY
[Signature]
Michael P. Molino, Commissioner

09 12 05
Date